GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:3125
ANSWERED ON:12.03.2003
CLOSURE OF SSI UNITS IN PUNJAB
PAWAN KUMAR BANSAL

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether a large number of small scale industries in border areas of Punjab have closed down;

(b) if so, the number of such industries and the reasons for their closure; and

(c) the steps taken to save them?

Answer

MINISTER OF SMALL SCALE INDUSTRIES AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (P. THAKUR)

(a) & (b): The information on closed units is not maintained centrally. However, the Reserve Bank of India (RBI) compiles data on sick SSI units financed by the scheduled commercial banks. As per the latest information available with the RBI, the number of sick SSI units in the State of Punjab including the border areas as at the end of March, 2002 was 1902.

The main reasons for closure/sickness are inadequacy of credit, technological obsolescence, marketing problems, managerial inadequacies, etc.

(c): The Government is fully seized of incidence of industrial sickness among SSI units and has taken various measures to facilitate timely identification and rehabilitation of potentially viable sick units, which inter-alia include institutional mechanism in the form of State-level Inter-Institutional Committees (SLIICs), Special Rehabilitation Cells in banks and State Financial Institutions and elaborate guidelines issued by the RBI for extending rehabilitation assistance to eligible units. Based on the recommendations of the Working Group constituted under the Chairmanship of Shri S. S. Kohli, the RBI has drawn up revised guidelines for rehabilitation of sick SSI units, which include inter-alia change in the definition of sick SSI units, norms for deciding on their viability, etc. The RBI has circulated the revised guidelines on 16th January, 2002 to all the Banks for implementation. The new industrial policy of the State Government of Punjab envisages setting up of State Level Forum for the revival of sick SSI units in the State including the border area.